

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Suspension or	)	
Revocation of the Licenses to Conduct	)	No. CR 2011-00052
Gambling Activities of:	)	
	)	
Kuhnle's Tavern	)	
Marysville, Washington,	)	<b>SETTLEMENT ORDER</b>
	)	
Licensee.	)	
_____	)	

I.

This Settlement Order is entered into between the Washington State Gambling Commission and Kuhnle's Tavern. The Gambling Commission is represented by H. Bruce Marvin, Assistant Attorney General, and Melinda Froud, Lead Staff Attorney. The licensee is represented by its owner, Selma Kuhnle.

II.

The Washington State Gambling Commission issued Kuhnle's Tavern organization number 00-02587 the following licenses:

- Number 05-01122, Authorizing Class "E" Punchboard/Pull-Tab Activity, and
- Number 65-01099, Authorizing Class "D" Amusement Game activity.

The licenses expire on September 30, 2011, and were issued subject to the licensee's compliance with state gambling laws and regulations.

III.

The Director issued a Notice of Administrative Charges and Opportunity for an Adjudicative Proceeding to the licensee on February 15, 2011. On February 28, 2011, Commission staff received the licensee's request for a hearing. On May 18, 2011, an Administrative hearing was held, and a Stipulation to Extend the Deadline for an Initial Order was signed by all parties. A continuance hearing was scheduled for August 15, 2011, to find out if the licensee had paid gambling taxes owed to the City of Marysville.

IV.

The following is a summary of the facts alleged, and the violations charged in the Notice of Administrative Charges:

- 1) Since 1989, Kuhnle's Tavern has held gambling licenses authorizing Amusement Game activity and Punchboard/Pull-Tab activity.
- 2) In September 2010, the licensee entered into a payment plan with the City of Marysville to pay delinquent gambling taxes owed. However, since October 14, 2010, the licensee has not made any payments for delinquent or current gambling taxes to the City of Marysville.
- 3) On January 10, 2011, Commission staff received a petition from the City of Marysville asking for the suspension or revocation of Kuhnle's Tavern's gambling licenses because it had not paid its local gambling taxes and owes the City approximately \$50,776 for gambling taxes owed since the first quarter of 2007.
- 4) The licensee's failure to pay local gambling taxes to the City of Marysville demonstrates its willful disregard for complying with local ordinances. Therefore, under RCW 9.46.075(1) and WAC 230-03-085(1), (3), and (4) grounds exist to suspend or revoke the licenses issued to Kuhnle's Tavern.
- 5) A hearing was held on May 18, 2011, and the parties signed a Stipulation to Extend the Deadline for the Initial Order until August 15, 2011. Prior to the hearing scheduled for August 15, 2011, the licensee satisfied the gambling taxes owed to the City of Marysville.

**RCW 9.46.075 Denying, suspending, or revoking an application, license or permit**

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

**WAC 230-03-085 Denying, suspending, or revoking a license or permit**

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action.

V.

Based on the licensee having paid its gambling taxes in full, the licensee agrees to the following:

1) Failure by the licensee to make further tax payments to the City of Marysville will be a new violation. As a result, the Director will issue charges for the revocation of the licenses of Kuhnle's Tavern. The licensee will be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

2) The licensee agrees that Kuhnle's Tavern's licenses are hereby **suspended for a period of fifteen (15) days**, provided that:

a) **Thirteen (13) days** of the suspension shall not be currently served, but shall be deferred for a period of two year from the date of entry of this Settlement Order, subject to the following: The licensee agrees not to violate any of Washington's gambling statutes or regulations during the two (2) year term.

b) If the licensee violates these statutes or regulations and if the violation is the type that warrants the filing of administrative or criminal charges, then the Director may impose the thirteen-day suspension of the current gambling licenses and any subsequently acquired gambling licenses.

c) The parties agree that the Director of the Washington State Gambling Commission, pursuant to this settlement order, has discretion to determine whether the licensee has violated any term of this settlement order. In the event the Director determines that a violation has occurred, he may suspend the licenses issued to the licensee, and any subsequently acquired licenses, for up to thirteen days, by mailing or delivering a Notice of Order of Administrative Charges to the licensee. This suspension shall be in addition to any consequences of the new violation. The licensee shall be afforded the opportunity to have an Adjudicative Proceeding, which includes a hearing on the alleged violations.

d) The licensee has chosen to **serve the remaining two (2) days** of this suspension. **The suspension period will begin at 8:00 a.m. on Monday, August 22, 2011, and shall run through Tuesday, August 23, 2011.** During this period of suspension, no gambling activities shall take place at the licensed premises. The licensee may resume its gambling activities at 8:00 a.m. on Wednesday, August 24, 2011.


DATED this 15 day of August, 2011.




Administrative Law Judge


APPROVED FOR ENTRY:

By the signature below, the licensee  
read this Settlement Order,  
and understands the terms and conditions  
contained in it.

 8-15-11  
Selma Kuhnle, Owner (DATE)  
Kuhnle's Tavern

  
Melinda Froud, WSBA #26792  
Lead Staff Attorney,  
Washington State Gambling Commission

APPROVED AS TO FORM:

  
H. Bruce Marvin, WSBA #25152  
Assistant Attorney General,  
Representing the Washington State  
Gambling Commission